

HOST AGREEMENT

This agreement, made and entered into this 2 day of Nov, 1995 by and between ESTILL COUNTY, KENTUCKY, a political subdivision of the Commonwealth of Kentucky, by and through the Estill County Fiscal Court, hereinafter referred to as "County", and WASTE MANAGEMENT OF KENTUCKY, INC., and WASTE MANAGEMENT OF KENTUCKY, LLC, a Kentucky corporation, of 2700 Winchester Road, Irvine, KY 40336, hereinafter referred to as "Waste Management".

WHEREAS, the Estill County Fiscal Court, as designated governing body of Estill County, Kentucky, and the solid waste management area of Estill County, Kentucky, is responsible for developing and implementing a solid waste management plan for Estill County, Kentucky, pursuant to provisions of KRS 224.43-340; and,

WHEREAS, Waste Management owns and operates a solid waste disposal facility identified as the "Blue Ridge Recycling and Disposal Facility", located at 2700 Winchester Road, Irvine, Estill County, Kentucky; which facility holds a permit issued by the Kentucky Natural Resources and Environmental Protection Cabinet authorizing the disposal of solid waste; and,

WHEREAS, the County and Waste Management enter into this agreement for the mutually beneficial purpose of complying with the provisions of 1991 Kentucky Acts (Ex. Sess.) Chapter 12 as effective on February 26, 1990 (known as Senate Bill 2), and to otherwise establish an agreement of the parties with respect to the rights and obligations of Waste Management and the County concerning the operation, permitting, licensure, closure and post-closure activities of the facility; and,

WHEREAS, the County recognizes that the generation of solid waste is a natural result of our society and that it is imperative that solid waste generated in Estill County be responsibly managed and disposed, that all reasonable efforts be made to reduce the amount of solid waste requiring disposal by the encouragement and establishment of material recovery facilities, recycling programs and reduction of excess packaging of consumer products; and,

WHEREAS, the County recognizes that a certain amount of tonnage of waste disposal, beyond that currently generated in Estill County, is necessary to allow Waste Management to offset capital and operating costs and to make a reasonable return on investment in the facility, and in order to keep disposal fees at a reasonable level, and conversely, Waste Management recognizes the economic benefit to it of entering into a host contractual agreement concerning the management of the facility and the structuring and standardizing of interaction of the facility with local government and the host community on issues of concern to the public health and welfare; and,

WHEREAS, the County and Waste Management further recognize that a public interest exists in assuring that the land disposal of solid waste is properly managed in order to minimize and control the environmental and public health consequences of land disposal of solid waste and the attendant potential for contamination of soil and ground water; and,

WHEREAS, Waste Management recognizes that the County has a legitimate right to demand that certain actions and commitments be made as may be necessary to minimize the risk of long-term contamination of the land and water resources of Estill County, Kentucky, and to assure the provision of funded assurance of correction of any environmental problems that occur in the active life of the facility and during the closure and post-closure care periods;

NOW, THEREFORE, in consideration of the above premises and the mutual benefit derived from the terms and provision of this agreement as set forth below, the parties agree as follows:

I. DEFINITIONS

The terms in the agreement shall be governed by the definitions of KRS 224.01-010 and 401 KAR 30.010; unless expressly defined herein, in which case the definition contained herein shall control the construction of this agreement as between the parties and any guarantors.

1. "Solid Waste Management Plan" or "Plan" means the solid waste management plan prepared by the Fiscal Court pursuant to the provisions of KRS 224.43-345.
2. "Solid Waste Management Area" or "Area" means Estill County, Kentucky, including the City of Irvine, Kentucky, and the City of Ravenna, Kentucky.
3. "Facility" means the geographic area currently permitted and constructed under Permit No. 033-00004 as of the effective date of this agreement.
4. "Cabinet" means the Kentucky Natural Resources and Environmental Protection Cabinet.
5. "Fiscal Court" shall mean the Estill County Fiscal Court.
6. "Solid waste" includes residential, commercial and industrial solid wastes, but does not include wastes identified by KRS 224 as "special" wastes.
7. "Service area" shall mean those areas from which the facility is permitted to accept waste in accordance with its state permit(s) and will consist of those counties listed on the facility's state operating permit; (provided, however, the disposal needs of the county shall have priority over those of other counties) and all other areas as stated in this agreement.

8. "Special wastes" include those wastes defined as ~~special~~ wastes in KRS 224.
9. "Untreated commercial or institutional medical waste" means pathological waste generated by hospitals, medical clinics, physician or medical provider offices, pathology laboratories, commercial home health care providers, and nursing homes, that have not been subject to prior treatment through heat, disinfection or other appropriate method(s) to eliminate infective viruses and bacteria, and to render sharps incapable of inducing occupational injury to workers handling the wastes (except, however, such wastes may be accepted for disposal for so long as applicable state regulations, laws, etc., allow, (as is now the case)).

II. CONSTRUCTION AND OPERATION OF AGREEMENT

1. This agreement shall become effective on the date as stated on page one (1). This agreement shall continue for ten (10) years thereafter or until such time as Waste Management shall no longer accept solid waste or special waste for disposal, (the "life" of the landfill), whichever term is longer, unless terminated by agreement of the parties or pursuant to the terms hereof. Termination or other failure of performance hereunder shall not alter Waste Management's closure and post-closure obligations under this agreement and applicable state law, nor alter Waste Management's obligation under Section III of the agreement, unless such termination results from a breach of the agreement by the County. Enforcement of other terms and conditions of this agreement are contingent upon Waste Management receiving permits from the Cabinet that enable Waste Management to construct and operate the facility in the currently permitted and expansion areas.

2. This agreement may only be amended upon the expressed written mutual agreement of the County and Waste Management following public notice.

3. In the event that any provision of this agreement is found to be unconstitutional or violative of law, it shall not affect the remaining provisions of this agreement.

4. The headings in this agreement are for informational purposes only and shall not be utilized in construing the meaning of this agreement.

5. Waiver of non-compliance at any time, by any party, of the terms or conditions of this agreement shall not be deemed a waiver of future non-compliance with such terms or conditions.

6. The performance of Waste Management under the terms of this agreement shall be guaranteed by Waste Management, Inc., or their respective successors or assigns. Attachment "A" shows the current corporate structure of WMX Technologies, Inc.

7. The terms of this agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective successors and assigns. The parties agree that specific performance of the mandatory terms and conditions of this agreement shall be available in the Estill Circuit Court or other appropriate judicial forum.

8. This agreement shall not be transferable except with the prior written consent of the County and Waste Management. No transfer of ownership shall occur without prior notice to County.

III. GENERAL PROVISIONS GOVERNING FACILITY OPERATION

1. The facility shall be designed, constructed, improved and operated in accordance with applicable requirements of KRS Chapter 224 and the regulations promulgated pursuant thereto, as currently existing and as the law and regulations of the Commonwealth of Kentucky and the United States may be subsequently amended during the term of this agreement.

2. Waste Management shall not knowingly accept or contract for transport or disposal at the facility any listed or characteristic hazardous waste, nuclear wastes (including "below regulatory concern" waste), untreated commercial or institutional pathological medical waste of any kind (except, however, such wastes may be accepted for disposal for so long as applicable state regulations, laws, etc., allow (as is now the case)); any ash generated from the Bluegrass Army Depot's proposed nerve gas incinerator at the facility and radiological waste; as those terms are defined in the more stringent and protective of the applicable regulations promulgated by the Cabinet or federal government, and as may be amended during the term of this agreement. Waste Management shall maintain documents sufficient to identify the source and "cell" location within the facility after disposal of each waste stream, and shall perform random inspections pursuant to 401 KAR 48:092(2) to assure that the presence of improper wastes is minimized. Waste Management will only accept out of state waste with the approval of the Advisory Board and/or the Solid Waste Coordinator. The types of waste to be accepted from out of state will be limited to commercial, industrial and special waste as defined in KRS 224. The Advisory Board and/or the Solid Waste Coordinator shall not without good cause withhold such approvals.

3. Waste Management desires to expand facility operations to include approximately 314 horizontal acres, which area is owned or controlled by Waste Management. The parties

hereto acknowledge that of said 314 acres, only 50 acres, more or less will be approved and used for waste disposal purposes and that the balance of said expansion may be used to support the operations of Waste Management but will not be used for disposal of solid or special waste. These areas are shown on Attachment "B", attached hereto, and shall be collectively referred to as "Expansion Areas." Waste Management has or will apply for all required city, county, and state approvals, including environmental permits from the Cabinet, as may be required to expand the facility with the Expansion Areas.

4. The County agrees to take all necessary steps to amend, and thereafter to maintain, the Solid Waste Management Plan so that the Plan and this agreement shall be consistent with one another during the term of this agreement. This agreement constitutes approval by the County of the permitting of the facility. No consent is given by the County with respect to permitting beyond the facility, nor any wastes not specifically authorized in the following sections.

5. Waste Management will accept solid waste for disposal at the facility during the hours set forth in its operating permit, but in any event, will not begin disposal operations before 6:00 am and will end such operations by 6:00 pm of each day. The facility shall be open for the purpose of disposal of solid waste to members of the public, commercial businesses, private businesses and/or individuals to enter the facility for the purpose of disposal of solid waste during its regular operating hours, and for all other purposes consistent with this agreement. Facility support activities are not restricted by the public operating hours, (i.e. office, construction, maintenance etc.).

IV. CAPACITY

1. Waste Management guarantees that it will provide and reserve to the County and the solid waste management area a minimum of ten (10) years of solid waste disposal capacity, or until the facility is permanently closed, whichever period is greater, commencing on execution of this agreement by all parties. This guarantee shall assure that an amount of permitted airspace within the currently permitted area, and after approval, within the expansion be generated within the solid waste management area during the ten (10) year period following execution of this agreement. This reservation of capacity is intended to enable the County to comply with the provisions of KRS 224.43-345 (1) (1) and (m).
2. In the event that Waste Management fails to provide capacity for the waste generated within the County for the ten (10) year period or until the facility is permanently closed, as provided herein, Waste Management shall provide for transportation to and disposal of such waste at a properly licensed solid waste disposal facility, with the difference in cost for such transportation and disposal over what would have been charged to Estill County or the Estill County Solid Waste Management Area under this agreement for disposal at the facility, to be borne by Waste Management for the remainder of the ten (10) year agreement. In so agreeing Waste Management knowingly accepts the risk of loss if the facility expansions are not approved due to or by reason of the negligence of Waste Management or the non-compliance by Waste Management with any federal, state or local statute, regulation or ordinance. Such alternate disposal shall constitute the sole remedy in the event of a failure to reserve capacity.
3. It is the intent of the parties to the agreement that the remaining airspace within the currently permitted area of the facility, less the reserved capacity and airspace to be consumed by

daily cover, may be used for disposal of solid and other lawful waste during the term of this agreement. The disposal of such waste shall be subject to the following terms and conditions:

(a) All remaining capacity at the facility in excess of the capacity reserved for the County may be utilized by Waste Management for disposal of waste generated only within the service area.

(b) Waste Management agrees that the maximum average tonnage of waste that is authorized for disposal at the facility, including the currently permitted facility and any expansion area, is nine hundred (900) tons of solid waste per day, based on a three hundred twelve (312) day year, per calendar year. At such time the Bypass highway that connects Highway 52 and Highway 89 around the City of Irvine is complete, the Estill County Fiscal Court will agree to review Waste Management's request for their tonnage cap to be increased at that time. This amount includes all solid waste but does not include waste destined for composting, recyclable materials, white goods and free disposal waste accepted at the facility pursuant to this agreement, and establishes the maximum total tonnage as a limit on the disposal of all types of non-hazardous waste at the facility, including residential, industrial and commercial solid waste and special waste. This limitation does not apply to municipal waste water sludges that are approved by the Cabinet for utilization as daily cover, provided that the sludges do not contain leachable metals in excess of the maximum contaminant levels (MCLs) established under the Safe Drinking Water Act, and provided further that procedures for reductions of pathogens have been applied.

(c) Waste Management shall use all reasonable business efforts to market available capacity to the service area, as now established and shall provide notice to the county of any decision to accept waste from areas outside the service area at the time that such waste

acceptance commences. The notice identifying the source(s) shall be provided prior to acceptance of the waste stream.

(d) Waste Management agrees to provide a list, updated, quarterly, itemizing the sources of accepted wastes and provide, upon written request, copies of the sampling results for all industrial solid wastes and special wastes accepted for disposal at the facility during the preceding quarter.

V. FEES AND RATES

1. During the term of this agreement, Waste Management shall pay a fee to the County in the amount of six and one quarter percent (6.25%) of gross receipts for waste generated outside the County which is accepted for disposal at the facility as provided for in Ordinance 7. In addition thereto, Waste Management shall pay to the County a fee in the amount of five percent (5.00%) of gross receipts for solid waste accepted for final disposal which is generated within the County as provided for in Ordinance 7. In the event the Commonwealth of Kentucky or Estill County, through appropriate legislation or state authorization, should decrease or increase the amount of fees which may be collected by the county, the foregoing rates may be adjusted by the County downward or upward pursuant to the adoption of such legislation, and Waste Management will pay such adjusted fees to the County. For purposes of this agreement, the term "gross receipts" shall mean the total amount of receipts or monies received by Waste Management for final disposal of solid waste and special waste at the facility, less any federal, state, county, or local taxes imposed on disposal. Any item or nature of business that Waste Management of Kentucky should participate in that does not result in final disposal in the landfill shall be

considered as exempt from any fees payable to the County. This will include, but not be limited to, recycling, composting, transfer, etc. Transfer of any solid waste or special waste will only be exempt from fees if the landfill should close for any reason.

Payment of the fee shall be made on a monthly basis, on or before the thirtieth (30 th) day following the last day of the calendar month for which payment of the fee is due. A report setting forth the amount of waste accepted for disposal at the facility in the preceding calendar month, by type and source, and an explanation of the computation of the fee (including the method of allocation of gross receipts attributable to shipments containing waste generated both inside and outside the county) shall be submitted to the County with the payment.

2. Disposal of solid waste (excluding special waste) generated within the County, from all sources, including commercial haulers and individuals, shall be accepted for disposal at the rate of \$4.90 per cubic yard for uncompacted solid waste and \$5.25 per cubic yard for compacted solid waste. Said disposal rate shall be in effect for six (6) years from the date of this agreement. Thereafter, the base rate for disposal of solid waste as set forth herein shall increase at any time by fifty percent (50%) of any gate rate increase. A fee of \$7.35 will be charged for each individual "level pickup truck" load of solid waste delivered by residents of the County. Said fee shall likewise increase at any time by fifty percent (50%) of any gate rate increase. Waste Management of Kentucky reserves the right to verify the origin of waste designated as Estill County Waste.

3. Waste Management may establish and charge such rates for acceptance and disposal of solid waste at the facility, other than that generated in Estill County as it shall determine from time to time, subject to the agreement, conditions and covenants contained in this agreement.

VI. MISCELLANEOUS PROVISIONS

1. Inspection of Records. Waste Management will allow a qualified person, designated by the County, the Solid Waste Coordinator of the County (the "Solid Waste Coordinator") or the County landfill inspector to inspect the facility and those records of the facility which relate the obligations of Waste Management under this agreement, county ordinance and state law and those which are subject to inspection by state inspectors pursuant to applicable law or regulation; provided, however that no records of Waste Management relating to employees, payroll, benefits, financial matters (other than those relating to this agreement) will be available for inspection.

2. The Citizen Advisory Board. Waste Management agrees to cooperate with and participate in a citizens advisory board ("Citizens Advisory Board") established by the Judge/Executive of the county ("Judge/Executive") and by the Fiscal Court in order to protect the environment and implement waste management practices which comply with all local, state and federal statutes, regulations or ordinances. The Citizen Advisory Board will consist of, but not be limited to, one member from the Estill County Board of Health and the County Solid Waste Coordinator.

3. Operation of Gate. All solid waste delivered to the facility must be weighed in accordance with state law. Waste Management will monitor the entrance and exit area of the facility with video cameras 24 hours a day and will retain video tapes for a minimum period of thirty (30) days. Such video tapes will be made available to the Solid Waste Coordinator for review upon request. Waste Management will physically monitor the entrance north and south of said gate and all of the area where the property of the Estill County High School fronts upon

Kentucky Highway #89 to assure that no debris, water or any substance remains on the highway or adjoining properties that might cause hazardous conditions or create an unsightly or offensive appearance.

4. Regulation of Vehicles.

(a) Waste Management will cooperate with county and state law enforcement officials and with solid waste haulers to enforce speed limits on county roads. Waste Management will schedule as few deliveries as possible into the facility between the hours of 8:00 am and 9:00 am and between 3:00 pm and 4:00 pm. Waste Management will advise all haulers hauling solid waste to cover their loads and ensure that vehicles are completely empty when leaving the facility in order to avoid windblown litter. Waste Management will institute a policy for this purpose.

(b) Waste Management will pay 50% of the cost of installation of traffic lights at the High School/Facility entrance if such installations are required by Kentucky Department of Transportation (KDOT). It is understood that KDOT shall be responsible for the remaining 50% payment. Any relocation of the entrance and exit of the facility will be coordinated with the Judge/Executive, the Department of Transportation and the Superintendent of the Estill County Schools, or his/her designee. Access to the facility will be limited to one entrance and one exit as required by current state law.

5. Transfer of Title. In the event Waste Management desires to transfer title to the facility to any person or entity (other than to one of its affiliated corporations), it will provide the County with sixty (60) days prior written notice of such transfer. Waste Management will obtain any approval of the Commonwealth of Kentucky required by applicable law. Estill County reserves the right to object to any state agency or permitting agency concerning any transfer of

ownership. Such objection will not relieve any transferee of its obligations under this agreement, including the posting of all applicable financial assurance. Waste Management will continue to be responsible for any corrective action required by any contamination that might occur, or be found to have occurred, during its ownership. Waste Management will require any party to whom it may transfer title to agree to fully comply with the provisions of this agreement.

6. Expansion of Facility. In the event that Waste Management desires to expand the existing facility beyond the area currently permitted, it agrees to proceed as required by then applicable federal law, state law, local ordinances, and local solid waste plans. The parties hereto recognize the necessity for a new host agreement to be negotiated between them as the present host agreement will not, under any circumstances, pertain to any landfill expansion beyond the area of the facility.

7. Composting. Waste Management will make available a convenient area at the facility for composting. Residents of the county may dispose of all clean, compostable materials at a negotiated reduced rate. Any composting operation at the facility will be operated in compliance with all applicable laws and regulations. Waste Management will use its best efforts to begin operation of said composting facility within one year of the date of this agreement; however, the County recognizes such operations can not begin until the state permits are granted.

8. Samples. Waste Management will provide the Solid Waste Coordinator or designee, upon request, the right to hire a third party, qualified firm, to collect and analyze, split samples of surface and ground water samples (including those taken from monitoring wells, leachate collection systems and surface water collection systems at the facility) drawn by Waste

Management pursuant to its permit and state regulations. Waste Management will provide the County, annually, a sampling schedule showing the dates on which sampling will occur.

9. Ground Water. Waste Management will cooperate with the County Health Department and/or Board of Health in responding, in accordance with applicable state laws and regulations, to actual or alleged contamination of ground water caused by the operation of the facility. Waste Management will test, on a bi-annual (every two years) basis, all active private wells and springs within 2,000 feet of the boundary of the facility (such wells and springs are listed in the administrative portion of the application for the operating permit of the facility). Waste Management will test said private water supplies on a bi-annual (every two years) basis for all parameters listed on Attachment "C". Waste Management agrees to replace, without cost to the owner, the water supply of any property owner whose supply of water for domestic or other beneficial uses is damaged in quality where that damage is determined by the state Division of Waste Management (or by any other competent state or federal government agency), or if appealed, by a court of competent jurisdiction to be caused by the facility or any contamination therefrom. In such event, Waste Management will, at the option of the affected property owner, either replace the well, if possible (including all verifiable costs incident to replacing said well, including the drilling of said new well or wells as necessary), or pay the reasonable expenses of connecting any residence to an existing water main or the cost of connecting the point of beneficial use to an existing water main. Such testing will continue for five (5) events or ten (10) years.

10. White Goods. Waste Management will accept all major appliances ("White Goods") (including their refrigerating or cooling systems and coolant chemical components, if any), generated within the County, at the facility at no cost to the County or its residents. At reasonable

intervals, Waste Management will transport the White Goods to a processor approved by Waste Management and the County, for processing and disposal. Waste Management will weigh the White Goods prior to transportation to a processor and will report the weights to the Solid Waste Coordinator. Waste Management of Kentucky reserves the right to verify the origin of any waste designated as Estill County waste. Waste Management reserves the rights to any and all scrap value.

11. Drop-off Recycling.

Details to be determined by the Solid Waste Coordinator and Waste Management of KY.

12. Open Dump Cleanups. Waste Management will accept at the facility and without charge, up to 800 tons per year of solid waste from the cleanup of open dumps in the county. Open dumps shall be considered solid waste and/or "trash" dumps, and/or "garbage" dumps which may be found on private or public property in the county, except, however, any dump that is located upon the property of an on-going commercial enterprise or business facility shall not be considered an open dump for purposes of this section. Waste Management will have the right to survey any such dump site and conduct tests it deems necessary (at its own cost) in order to ensure that only solid waste is removed from any such site and disposed at the facility. Irrespective of whether or not Waste Management elects to conduct such tests, Waste Management shall be permitted to reject any waste materials, which, in its reasonable judgement it believes will violate applicable law, the terms of the facility's permit, or the terms of this agreement. All "open dump" cleanups under this section will be coordinated through the County Solid Waste Coordinator.

13. Civic Cleanups. Waste Management will provide free disposal, without limitation as to amount, of solid waste to county residents (excluding commercial and industrial generators

of solid waste) during the annual County Spring Clean-Up Day. Waste Management will also provide free disposal without limitation as to amount of solid waste to the county (excluding commercial and industrial generators of solid waste) during the annual Kentucky River Clean Sweep so long as this event is not extended beyond its current scope or focus (which is the Kentucky River and banks).

14. Property Value Guarantee. Waste Management will offer to each owner of property contiguous to the facility boundary a property value guarantee which will remain in effect for 5 years from the date of this agreement. In the event such a property owner makes a good faith effort to sell his property with a licensed Realtor, at a price which is reasonable under prevailing market conditions in the County and does not receive within six months an offer to purchase at a price which is reasonable under prevailing market conditions in the County, Waste Management will agree to pay the difference between: 1) the amount specified in the appraisal (less the standard real estate commission in Estill County) and 2) the offered if any, price. Alternatively Waste Management may elect to buy the property at the appraised price. See example attached hereto as Attachment "D". In the event Waste Management substantially changes the operation of the facility in a manner which is inconsistent with this agreement, or on a manner which substantially or adversely affects any owner or his property, the term of the property value guarantee will be extended for an additional five-year period after such alteration. The rights of each property owner hereunder shall inure to the benefit of his heirs. The property owner is encouraged to exclude any funds paid by Waste Management from being subject to payment of real estate commissions, as all real estate commission shall be paid by the property owner.

The appraised price will be determined by the County Property Valuation Administrator (PVA) using the assumption that the facility does not exist. If Waste Management disagrees with the result of such determination, three appraisals of each property will be required; each appraisal will be based on the assumption that the facility does not exist, one by an appraiser selected from a list provided by the Citizens Advisory Board, one provided by the owner of the property, and one provided by Waste Management. Waste Management will pay all appraisal expenses. Nothing herein shall prohibit any property owner or Waste Management from entering into any contract, agreement, or other financial arrangement as regards the sale or purchase of real property as between them. This section will be in effect upon the written notice of said property owner to Waste Management along with a signed agreement from a licensed Realtor.

15. Post-Closure Plan. Waste Management will, in coordination with the Citizens Advisory Board, develop a post-closure land use plan for the facility. Any plan developed through this procedure will be presented to the Fiscal Court for approval. Such plan will conform with and be implemented pursuant to applicable state law, local ordinance and local solid waste plans.

VII. POST-CLOSURE RESPONSIBILITY

INDEMNIFICATION AND INSURANCE:

1. Waste Management shall be responsible for the closure of the facility and all required post-closure care in accordance with the requirements of 40 CFR, KRS 224 and the regulations adopted pursuant thereto.

2. Waste Management shall provide and maintain an accurate file at the facility, which shall contain a copy of all documents, permit applications, modifications, renewals, enforcement actions, sampling reports, quarterly reports, and all other documents required to be maintained and transmitted to the Cabinet under KRS 224 and the regulations thereunder.

3. It is the intent of the parties to this Host Agreement to establish financial assurance in favor of Estill County for the purpose of assuring the performance by Waste Management of post-closure care with respect to the facility in accordance with the requirements of 40 CFR, KRS 224 and the regulations promulgated pursuant thereto, and as provided herein; and further to establish financial assurance for any post-closure corrective action and assessments that may be required under 40 CFR and KRS 224.

The post-closure responsibilities subject to this financial assurance shall include, but not be limited to, groundwater monitoring, maintenance of the leachate collection system, maintenance of the cap, maintenance and operation of the landfill gas monitoring and venting system and the performance of corrective action if required by the Cabinet or the federal government. The financial assurance shall be established in a manner that will make funds

available in a timely fashion for the performance of post-closure care responsibilities in the event that those responsibilities are not performed by Waste Management.

The post-closure period shall be extended to equal a time period in excess of thirty years if so directed by the Cabinet or the federal government.

Upon execution of this agreement, Waste Management shall continue and maintain during the post-closure period of at least thirty (30) years following the certification and approval of closure of the facility by the Cabinet, the existing comprehensive general liability and environmental impairment liability insurance policy with the limits of ten million dollars (\$10,000,000.00), naming the additional insured, Estill County, (in a form similar to and substantially and materially the same as that policy attached hereto as Attachment "E"). Waste Management shall provide to Estill County certificates of such insurance and a copy of said insurance policy.

The County shall be notified by said insurance company of cancellation of said policy, the use or reduction of said policy, or of any event, of whatever kind or nature, which may tend to impair its ability or the ability of Waste Management to fulfill its obligations under said policy. Waste Management shall direct said insurance company to comply fully with these provisions.

Waste Management shall comply with all requirements of applicable State and Federal Law, as well as common law, should any contamination emanate from the facility. Waste Management shall take immediate and appropriate actions to implement such corrective actions upon discovery of such contamination. In the event that corrective action shall be required at the facility, Waste Management shall at the time of discovery of such contamination, provide an appropriate financial instrument, such as a surety bond or letter of credit, in an amount deemed

adequate by the Cabinet, to ensure Waste Management's timely performance of its environmental clean-up obligations.

The duty of Waste Management to provide financial assurance shall be released by the County upon approval of certification of completion of the post-closure care period by the Cabinet and the expiration of the post-closure period, as it may be extended for the performance of any required corrective action.

The financial assurance established by Waste Management in favor of the Cabinet may be used by Waste Management to satisfy financial assurance obligations for post-closure corrective action imposed by the Cabinet or the federal government upon Waste Management.

This financial assurance shall be in addition to all other which is or may be required by the Commonwealth of Kentucky or the United States of America, including that which may be required pursuant to 40 CFR, Subtitle D., and including, but not limited to: (a) surety bond presently in place under current law in the sum of \$2,190,338.00, for closure care; (b) surety bond presently in place under current law in the sum of \$2,248,950.00 for post-closure care. The County recognizes the duty of Waste Management to comply with federal law and particularly CFR 40, Subtitle D., as it relates to post-closure financial assurance and the Commonwealth of Kentucky; however, the liability and environmental impairment insurance policy, as now established by Waste Management shall remain in place unless this agreement is modified in that regard.

4. Estill County does not assume any liability for entering into this agreement with Waste Management, except as may be associated with the generation of solid waste from County facilities. Waste Management shall indemnify, save and hold harmless Estill County, its citizens,

officials, agents, employees, contractors or representatives from any and all claims or causes of action arising from or on account of acts or omissions of Waste Management, its officers, employees, agents, contractors, subcontractors and any persons acting on its behalf or under its control, in carrying out activities pursuant to this agreement. Estill County shall not be held out as a party to any contract entered into by or on behalf of Waste Management in carrying out activities pursuant to this agreement. Neither Waste Management nor any such contractor shall be considered an agent of Estill County.

5. Waste Management waives and shall indemnify and hold harmless Estill County from any and all claims, damages, suits or causes of action, including reasonable attorneys' fees or reimbursement from Estill County or for the set-off of any payments made or to be made to Estill County resulting from the design, construction, operation or closure of the facility, including any action arising under CERCLA or under any comparable state law or theory seeking contribution by any party or person, including state or federal government, for release of hazardous substances from the facility, or arising from or on account of any contract, agreement or arrangement between Waste Management and any person for performance of work on or relating to the facility, including claims due to construction delays or for any other reason.

VIII. OTHER PROVISIONS

1. **Arbitration.** Any controversy or claim arising out of, or relating to, this Host Agreement, or the breach thereof, may, upon written agreement of both the County and one or more of the parties collectively known herein as Waste Management (including the guarantors), be settled by arbitration, in accordance with the rules, then obtaining, of the American Arbitration

Association, and judgement upon the award rendered may be entered in any court having jurisdiction thereof.

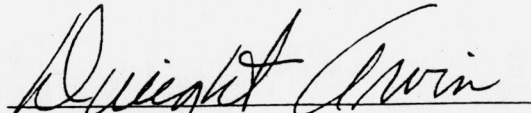
2. Notice. All notices required hereunder shall be directed to the respective parties at the addresses set forth above and shall be effective when delivered by certified mail.

3. Remedies. Each party reserves unto itself any and all available remedies, including those at law and in equity, for the redress of any breach of any part of this agreement, or , alternatively, to compel specific performance of any and all obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first written above.

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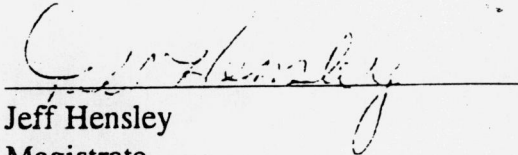
ESTILL COUNTY, KENTUCKY,
BY AND THROUGH THE ESTILL
COUNTY FISCAL COURT



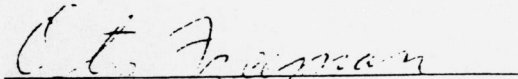
Dwight Arvin
Estill County/Judge Executive



Kevin Williams
Magistrate

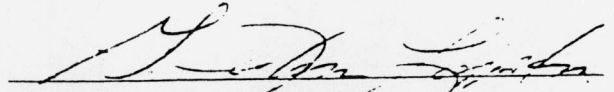


Jeff Hensley
Magistrate



Ottis Freeman
Magistrate

WASTE MANAGEMENT OF
KENTUCKY, INC.



By Its: G. John Logsdon
Division President

The obligations of Waste Management of Kentucky are hereby unconditionally guaranteed by
Waste Management, Inc.



Waste Management, Inc.
By Its: Ron Baker
Group President

Waste Management, Inc.

Wholly owned subsidiary

Solid waste services:
Recycling
Materials recovery
Residential collection
Commercial collection
Industrial collection
Processing and transfer
Disposal
Special event services
Construction site services
Medical waste services

Four business groups:
Waste Management East
Waste Management Midwest
Waste Management South
Waste Management West

WMX TECHNOLOGY AND SERVICES

Corporate support services to the WMX Family of Companies

Chemical Waste Management, Inc.

78-percent owned subsidiary

Hazardous waste services:
Waste reduction/recycling
Collection/transportation
Treatment
Thermal destruction
Disposal
Industrial remediation services
In-plant services

CHEM-NUCLEAR SYSTEMS

Wholly owned subsidiary

Low-level radioactive waste services:
Volume reduction
Site assessment
Licensing
Radiological controls
Waste processing
Decommissioning
Transportation & disposal

Wheelabrator Technologies Inc.

56-percent owned subsidiary

Multi-faceted environmental services

WHEELABRATOR ENVIRONMENTAL SYSTEMS

- **Trash-to-energy systems:**
Trash to energy
Cogeneration
Build/own/operate

CLEAN WATER OPERATIONS

- **WHEELABRATOR EOS**
Water and wastewater treatment facilities and services
- **BIO GRO**
Biosolids management
Drying/Pelleting
- **IPS**
Composting services

CLEAN AIR COMPANIES

- **WHEELABRATOR AIR POLLUTION CONTROL**
Clean air technology
Precipitators
Nox control
Wet and dry scrubbers
Fabric filters
Retrols/rebuilds
Aftermarket services
- **ALTECH SYSTEMS CORPORATION**
Continuous emissions monitoring
- **PULLMAN POWER PRODUCTS**
Chimney design, construction and maintenance
Mechanical construction
- **WHEELABRATOR CANADA**
Designs and markets cartridge collectors

VOC COMPANIES

- **ARI**
VOC emissions control
H₂S control
Metal fabricator services
- **HUNTINGTON ENERGY SYSTEMS**
VOC emissions control
Air quality control, engineering, maintenance and installation
- **AMCEC**
Carbon adsorption systems for pollution control
- **WESTATES CARBON**
Carbon adsorption systems for pollution control

- **WHEELABRATOR ENGINEERED SYSTEMS INC.**
Screen Products
Waterwell screens
Oil & gas screens
Monitoring/remediation
Industrial filtration screens

Water Process Systems:
Potable water
Wastewater
Process water
Solids dewatering
Slurry pumping

Surface Preparation Equipment:
Stationary systems
Portable systems
Parts and service

Rust International Inc.

56-percent owned by CWM
40-percent owned by WTI

Environmental engineering and consulting, construction and infrastructure.

RUST ENGINEERING

Design and construction:
Planning
Engineering
Construction
Maintenance
Training

RUST ENVIRONMENT & INFRASTRUCTURE

Environmental engineering
Environmental consulting
Engineering
Infrastructure
Photogrammetry
Field investigation

RUST REMEDIAL SERVICES

Remedial services:
Industrial and governmental site remediation services

RUST CONSTRUCTION

Construction
Repair
Construction
Industrial dismantling
Commercial dismantling

RUST INDUSTRIAL SERVICES

Industrial and scaffolding services:
Scaffolding services
Industrial cleaning services
Plant services
Utility services

■ RUST LIMITED

International environmental engineering and construction

NOTE: A number of changes to the WMX Corporate structure are in process.

N 2

2156000

2155000

2156000

2157500

2157000

2158000

2158000

FACILITY BOUNDARY

LIMITS OF HORIZONTAL EXPANSION

APPROXIMATE PHASE I HORIZONTAL EXPANSION CONSTRUCTION LIMITS

PROCESSED CONCEALED SOL STORAGE AREA

PHASE I LIMITS

EXISTING CEMETERY

EXISTING LANDFILL
ROSTER LIMITS AND APPROXIMATE
BARRIER CONSTRUCTION LIMITS

Best Available Copy

FACILITY BOUNDARY

RESIDENCE TO
CONSTRUCTION
FIELD OFFICE

AREA AVAILABLE FOR
FACTORY PARKING AND
INTERNAL CIRCULATION

EXISTING ROAD

1. SANITARY
1. SANITARY
1. SANITARY

8-INCH DIA
SANITARY MAIN

ATTACHMENT "C"

VOLATILE ORGANICS:

1,1,1,2-TETRACHLOROETHANE
1,1,1-TRICHLOROETHANE
1,1,2,2-TETRACHLOROETHANE
1,1,2-TRICHLOROETHANE
1,1-DICHLOROETHANE
1,1-DICHLOROETHENE
1,2,3-TRICHLOROPROPANE
1,2-DIBROMO-3-CHLOROPROPANE
1,2-DIBROMOETHANE
1,2-DICHLOROBENZENE

1,2-DICHLOROETHANE
1,2-DICHLOROPROPANE
1,4-DICHLOROBENZENE
2-BUTANONE
2-CHLOROETHYL VINYL ETHER
2-HEXANONE
4-METHYL-2-PENTANONE
ACETONE
ACROLEIN
ACRYLONITRILE
BENZENE
BROMOCHLOROMETHANE
BROMODICHLOROMETHANE
BROMOFORM
BROMOMETHANE
CARBON DISULFIDE
CARBON TETRACHLORIDE
CHLOROBENZENE
CHLOROETHANE
CHLOROFORM
CHLOROMETHANE
CIS-1,2-DICHLOROETHENE
CIS-1,3-DICHLOROPROPENE
DIBROMOCHLOROMETHANE
DIBROMOMETHANE
DICHLORODIFLUOROMETHANE
ETHANOL
ETHYL METHACRYLATE
ETHYLBENZENE
IODOMETHANE
METHYLENE CHLORIDE
STYRENE
TETRACHLOROETHENE
TOLUENE
TRANS-1,2-DICHLOROETHENE
TRANS-1,3-DICHLOROPROPENE
TRANS-1,4-DICHLORO-2-BUTENE
TRICHLOROETHENE
TRICHLOROFLUOROMETHANE
VINYL ACETATE
VINYL CHLORIDE
XYLENE (TOTAL)

NA - Not Analyzed

ATTACHMENT "D"

EXAMPLE

Assume: Appraisal Value of \$50,000.00
 Offering Price of \$40,000.00

Standard Real Estate commission in Estill County is 7%.

Waste Management may either:

1) Pay the property owner: \$50,000.00
 ~~-\$2,800.00~~ (7% of 40,000.00)
 \$47,200.00
 ~~-\$40,000.00~~ (Offering Price)
 \$7,200.00 Paid to Property Owner

2) Pay the property owner \$50,000.00 and acquire the property.

ACORD. CERTIFICATE OF INSURANCE

ISSUE DATE (MM/DD/YY)

9/15/94

PRODUCER

Rollins Hudig Hall
of Illinois, Inc.
123 North Wacker Drive
Chicago, Illinois 60606
Attn: Dora Connell
(312) 701-4974

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW.

COMPANIES AFFORDING COVERAGE

COMPANY LETTER A

National Union Fire Ins. Co. of Pittsburgh, PA

COMPANY LETTER B

COMPANY LETTER C

COMPANY LETTER D

COMPANY LETTER E

INSURED

Blud Ridge Recycling & Disposal
Facility
2700 Winchester Rd.
Irvine, KY 40336

VERAGES

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN. THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

TYPE OF INSURANCE	POLICY NUMBER	POLICY EFFECTIVE DATE (MM/DD/YY)	POLICY EXPIRATION DATE (MM/DD/YY)	LIMITS
GENERAL LIABILITY				GENERAL AGGREGATE \$
<input type="checkbox"/> COMMERCIAL GENERAL LIABILITY				PRODUCTS-COMP/OP AGG. \$
<input type="checkbox"/> CLAIMS MADE <input type="checkbox"/> OCCUR				PERSONAL & ADV. INJURY \$
<input type="checkbox"/> OWNER'S & CONTRACTOR'S PROT.				EACH OCCURRENCE \$
				FIRE DAMAGE (Any one fire) \$
				MED. EXPENSE (Any one person) \$
MOBILE LIABILITY				COMBINED SINGLE LIMIT \$
<input type="checkbox"/> ANY AUTO				BODILY INJURY (Per person) \$
<input type="checkbox"/> ALL OWNED AUTOS				BODILY INJURY (Per accident) \$
<input type="checkbox"/> SCHEDULED AUTOS				PROPERTY DAMAGE \$
<input type="checkbox"/> HIRED AUTOS				
<input type="checkbox"/> NON-OWNED AUTOS				
<input type="checkbox"/> GARAGE LIABILITY				
EXCESS LIABILITY				EACH OCCURRENCE \$
<input type="checkbox"/> UMBRELLA FORM				AGGREGATE \$
<input type="checkbox"/> OTHER THAN UMBRELLA FORM				
WORKER'S COMPENSATION				STATUTORY LIMITS
AND				EACH ACCIDENT \$
EMPLOYER'S LIABILITY				DISEASE-POLICY LIMIT \$
				DISEASE-EACH EMPLOYEE \$
OTHER				
Pollution Legal Liability	PRM 9210461	04/25/94	04/25/95	\$10,000,000 Any one claim \$10,000,000 Annual aggregate

DESCRIPTION OF OPERATIONS/LOCATIONS/VEHICLES/SPECIAL ITEMS

Additional Insured: Estill County, Kentucky

COPY

CERTIFICATE HOLDER

Estill County
108 Main St.
Irvine, KY 60336

Attn: Judge/Exec. Dwight Arvin

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, THE ISSUING COMPANY WILL ENDEAVOR TO MAIL 60 DAYS WRITTEN NOTICE TO THE CERTIFICATE HOLDER NAMED TO THE LEFT, BUT FAILURE TO MAIL SUCH NOTICE SHALL IMPOSE NO OBLIGATION OR LIABILITY OF ANY KIND UPON THE COMPANY, ITS AGENTS OR REPRESENTATIVES.

AUTHORIZED REPRESENTATIVE

Dora R. Petrucci